

NEGATIVE PLEDGE AGREEMENT
(Real Estate, Assets and Pledged Receipts)

Negative Pledge Agreement dated as of the 30th day of June, 2005 by and between Hyde School, a Maine nonprofit corporation with a place of business in Bath, Maine ("Hyde"), Hyde School at South Woodstock, Inc. ("Hyde CT"), a Connecticut nonprofit corporation with a place of business in Woodstock, Connecticut (Hyde and Hyde CT are collectively referred to herein as the "School") and Bank of America, N.A., a national banking association having an office at Two Portland Square, Portland, Maine 04101 (the "Bank").

WITNESSETH:

WHEREAS, the Bank has agreed to make certain loans to and provide financial accommodations for the School, pursuant to a Loan Agreement of even date herewith by and between the School as borrower and the Bank as lender (the "2005 Loan Agreement") and certain Loan Agreements dated July 10, 2001 and March 1, 2004 by and between the School as borrower and Fleet National Bank, the corporate predecessor to the Bank, as lender (the "2001 Loan Agreement", the "2004 Loan Agreement" and collectively with the 2005 Loan Agreement, the "Loan Agreements");

WHEREAS, it is an express condition (among others) of the agreement of the Bank to make such loans to the School that the School execute this Negative Pledge Agreement so as to preserve under all circumstances the Pledged Premises, the Assets and the Pledged Receipts (in each case, as hereinafter defined) as unencumbered and to provide notice to third parties regarding the Bank's reliance on the Negative Pledge set forth herein in agreeing to make the loans contemplated by the Loan Agreements; and

NOW, THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the undersigned hereby agrees that for so long as there is any outstanding indebtedness or other obligation due or owing from the School to the Bank that arises under the Loan Agreements or the related Loan Documents, or so long as there exists any availability for advances under any credit facilities established under the Loan Documents, whether or not any such advances are in the discretion of the Bank, as follows:

1. Capitalized terms used herein not otherwise defined herein shall have the meanings assigned to them in the Loan Agreements. The recitals set forth above are intended by the parties to be substantive terms concerning this transaction and not mere recitals.

2. The School shall not: (a) mortgage, pledge or otherwise encumber, nor permit the same to be otherwise encumbered, all or any part or aspect of its right, title and interest in:

- (i) (A) The Land, some of which consists of the lots or parcels of land owned by the Hyde CT and situated at 150 Rte. 169 and 219 Rte. 169, in the

Town of Woodstock, Windham County, Connecticut, and (B) all of the land owned by Hyde in the Town of Bath, Sagadahoc County, Maine, together with (C) any buildings and improvements thereon, and all fixtures now or hereafter affixed to, or located upon said parcels, or the School's rights under any leases, tenancies, occupancies, management contracts or other agreement relating to the foregoing (all of the foregoing being hereafter referred to as the "Pledged Premises"); or

- (ii) all assets of the School, whether now existing or hereafter arising or acquired, and located at the Pledged Premises (collectively, the "Assets"); or
- (iii) any revenues or receipts received by the School or to be received by the School or otherwise pledged to the School as part of or with respect to any capital campaign for a Project, as defined in each of the Loan Agreements (collectively, the "Pledged Receipts"); or

(b) except as otherwise disclosed in the Loan Agreements, incur any indebtedness in connection (whether as debtor, endorser, guarantor or in any other capacity whatsoever) therewith.

3. The School shall not transfer or allow to be transferred any right, title or interest of any nature whatsoever in the Pledged Premises or the Assets or the Pledged Receipts to any person or entity without the prior consent of the Bank, and any attempted transfer shall be void and without effect in the absence of said express written consent, which may be granted or withheld in the sole discretion of the Bank.

4. Except as otherwise disclosed in the Loan Agreements, the School represents and warrants that the Pledged Premises and the Assets and the Pledged Receipts are free and clear of any liens of encumbrances of any nature whatsoever.

5. As soon as practicable and in any event within forty-five (45) days after the end of each fiscal quarter, a statement of the School's capital campaign for the Project and the Maine Improvements indicating (for the quarter just ended, year-to-date and total since the inception of the capital campaign) total pledges received, total pledges paid, projections indicating when the School expects to receive payment of the balance of pledges received, all in reasonable detail and certified as accurate by an authorized representative of Borrower.

6. The School acknowledges and agrees that this Agreement constitutes a Loan Document for purposes of the Loan Agreements and that breach of any of the representations, warranties, covenants and agreements contained herein shall constitute an event of default under the Loan Agreements and, in addition to any remedies permitted by law or equity or under any of the Loan Documents, the Bank upon breach of any of the foregoing may declare all Obligations immediately due and owing and cease making advances under the Loan Agreements or any other Loan Document which it might otherwise be obligated to make.

7. The parties acknowledge and agree that one of the purposes of this Agreement is to put third parties on notice as to the contractual commitments of the School, and the Bank's reliance on the same in making loans to the School. The School acknowledges that the Bank intends to record this Agreement (or a suitable notice hereof) in the appropriate registry of deeds and to file this Agreement with the appropriate Secretary of States Office and to file or record the same in any other location deemed necessary or desirable by the Bank. The School agrees to execute such amendments and/or additional negative pledges and agreements as the Bank may reasonably request in order to confirm or more fully perfect the rights of the Bank hereunder.

8. Any notice required or permitted to be given under this Agreement shall be sufficient if in writing, and if sent by regular mail to the address of the party set forth in the Loan Agreements. Such notice shall be deemed given upon deposit with postage prepaid in the United States mail addressed to the School.

9. The waiver of a breach of any provision of this Agreement by the School or the Bank shall not operate or be construed as a waiver of any subsequent breach by the School or the Bank.

10. THE BANK AND THE SCHOOL AGREE THAT NEITHER OF THEM NOR ANY ASSIGNEE OR SUCCESSOR SHALL (A) SEEK A JURY TRIAL IN ANY LAWSUIT, PROCEEDING, COUNTERCLAIM OR ANY RELATED INSTRUMENTS, OR THE DEALINGS OR THE RELATIONSHIP BETWEEN OR AMONG ANY OF THEM, OR (B) SEEK TO CONSOLIDATE ANY SUCH ACTION WITH ANY OTHER ACTION IN WHICH A JURY TRIAL CANNOT BE OR HAS NOT BEEN WAIVED. THE PROVISIONS OF THIS PARAGRAPH HAVE BEEN FULLY DISCUSSED BY THE BANK AND THE SCHOOL, AND THESE PROVISIONS SHALL BE SUBJECT TO NO EXCEPTIONS. NEITHER THE BANK NOR THE SCHOOL HAS AGREED WITH OR REPRESENTED TO THE OTHER THAT THE PROVISIONS OF THIS PARAGRAPH WILL NOT BE FULLY ENFORCED IN ALL INSTANCES.

11. If any provision of this Agreement or the application thereof to any party or circumstances shall be declared void, illegal or unenforceable, the remainder of this Agreement shall be valid and enforceable to the extent permitted by applicable law. In such event, the parties shall use their best efforts to replace the invalid or unenforceable provision by a provision that achieves the purposes intended under the invalid or unenforceable provision.

12. Miscellaneous.

- (a) The paragraph headings contained in this Agreement are for convenience only and shall in no manner be construed as part of or aid in the interpretation of this Agreement.

- (b) This Agreement is executed in two (2) counterparts, each of which shall be deemed an original and together shall constitute one and the same agreement, with one counterpart being delivered to each party hereto.

13. This Agreement can be modified or amended only pursuant to a writing signed by the School and the Bank. This Agreement shall be governed and construed in accordance with the laws of the State of Maine.

IN WITNESS WHEREOF, THE UNDERSIGNED HAVE EXECUTED THIS Negative Pledge Agreement intending the same to take effect as a sealed instrument as of the date above written.

WITNESS:

Ann Peden

HYDE SCHOOL

By: Malcolm W. Gauld

Malcolm W. Gauld
Its President

WITNESS:

Ann Peden

HYDE SCHOOL AT SOUTH
WOODSTOCK, INC.

By: Malcolm W. Gauld

Malcolm W. Gauld
Its President

Sean F. Flood

BANK OF AMERICA, N.A.

By: Jane A. Parker

Jane A. Parker
Its Vice President

STATE OF MAINE

Sagadahoc ss.

June 28, 2005

Then personally appeared the above-named Malcolm W. Gauld, the duly authorized President of Hyde School and acknowledged the foregoing instrument to be his free act and deed in his capacity and the free act and deed of the said Hyde School.

Before me,

Cynthia Morgan

Notary Public/Attorney at Law

Printed Name:

CYNTHIA MORGAN
NOTARY PUBLIC

My Commission Expires Feb. 8, 2008

STATE OF MAINE

Sagadahoc ss.June 28, 2005

Then personally appeared the above-named Malcolm W. Gauld, the duly authorized President of Hyde School at South Woodstock, Inc. and acknowledged the foregoing instrument to be his free act and deed in his capacity and the free act and deed of the said Hyde School at South Woodstock, Inc.

Before me,

Cynthia Morgan
Notary Public/ Attorney at Law

Printed Name: **CYNTHIA MORGAN****NOTARY PUBLIC**

My Commission Expires Feb. 6, 2008

STATE OF MAINE

Camberland ss.June 30, 2005

Then personally appeared the above-named Jane A. Parker, the duly authorized Vice President of Bank of America, N.A. and acknowledged the foregoing instrument to be her free act and deed in her capacity and the free act and deed of the said Bank of America, N.A.

Before me,

Sean F. Flood

Notary Public/ Attorney at Law

Printed Name:

SEAN F. FLOOD**NOTARY PUBLIC, MAINE****MY COMMISSION EXPIRES SEPT 11, 2010****SAGADAHOC COUNTY**

Barbara J. Thott

Register of Deeds